

**AMENDMENT TO H.R. 3121**  
**OFFERED BY MS. GINNY BROWN-WAITE OF FLOR-**  
**IDA, MR. PUTNAM OF FLORIDA, AND MR.**  
**FEENEY OF FLORIDA**

Strike section 7 (relating to multiperil coverage for  
flood and windstorm) and insert the following:

1   **SEC. 7. STUDY REGARDING EXPANSION OF THE NATIONAL**  
2                   **FLOOD INSURANCE PROGRAM.**

3           (a) STUDY.—The Comptroller General of the United  
4 States shall conduct a study regarding expanding the na-  
5 tional flood insurance program to include optional cov-  
6 erage for loss resulting from any windstorm to analyze and  
7 determine the following:

8                   (1) The ability of the Federal Emergency Man-  
9 agement Agency and the national flood insurance  
10 program to timely implement an actuarially-sound  
11 (which, for purposes of this section means pricing  
12 premiums according to risk, or as defined by stand-  
13 ards and methods generally accepted by the actuary  
14 industry, incorporating up-to-date modeling tech-  
15 nology, and taking into consideration administrative  
16 expenses, including potential debt service, in the case

1 of a deficit) wind insurance program, including de-  
2 termining—

3 (A) whether such Agency's current staff  
4 and resources enable it to efficiently and effec-  
5 tively expand the national flood insurance pro-  
6 gram to offer optional wind coverage;

7 (B) how and what premiums for such cov-  
8 erage could be priced and charged, and if pol-  
9 icyholders would purchase coverage at such  
10 rates;

11 (C) how new coverage would be under-  
12 written and sold;

13 (D) how claims under the multiple peril  
14 program would be serviced;

15 (E) whether premiums from wind insur-  
16 ance coverage would be pooled with premiums  
17 from flood insurance coverage;

18 (F) if the Agency's staff and resources are  
19 not sufficient for timely implementation of a  
20 wind insurance program, the need for additional  
21 Agency staff to implement a wind program and  
22 expected administrative costs necessary for such  
23 timely implementation;

24 (G) how the availability of optional wind  
25 insurance through a multiple peril policy could

1           affect the enforcement of the mandatory pur-  
2           chase requirement for flood insurance under the  
3           national flood insurance program; and

4           (H) such other factors the Comptroller  
5           General determines could affect the timely im-  
6           plementation of an actuarially-sound wind in-  
7           surance program.

8           (2) The effects if any, such an optional multiple  
9           peril program could have on the implementation of  
10          provisions in this Act to restore the solvency of the  
11          national flood insurance program and to improve the  
12          actuarial soundness of the program, including provi-  
13          sions in this Act relating to—

14                (A) map modernization;

15                (B) phase-in of actuarial rates for sub-  
16                sidized nonresidential properties and nonpri-  
17                mary residences;

18                (C) the flood mitigation assistance pro-  
19                gram; and

20                (D) the pilot program for mitigation of se-  
21                vere repetitive loss properties.

22           (3) The effects, if any, such an optional mul-  
23           tiple peril program could have on existing State wind  
24           pools, including capitalization of, and participation  
25           in, the wind pools.

1           (4) Whether expanding the national flood insur-  
2           ance program to offer optional wind coverage in the  
3           form of a multiple peril policy could—

4                   (A) affect the availability and affordability,  
5                   over the long-term, of wind coverage nationwide  
6                   that is offered by the private market, State gov-  
7                   ernments, and the Federal Government;

8                   (B) influence the development in private  
9                   sector markets, including the surplus and non-  
10                  admitted markets, for multiple peril insurance,  
11                  or alternatives;

12                  (C) result in adverse selection, whereby the  
13                  multiple peril program could be underdiversified  
14                  and vulnerable to large events; and

15                  (D) offer coverage at a lower price that is  
16                  actuarially sound, than similar insurance of-  
17                  fered by the private sector, in the same geo-  
18                  graphic area.

19           (5) To what extent, if any, a Federal wind in-  
20           surance program could expose taxpayers in the  
21           United States and the Treasury to loss, in the case  
22           of program deficit, such as that resulting from the  
23           2005 hurricane season.

1           (6) What other alternative methods are avail-  
2           able to offer policyholders of flood insurance more  
3           options for windstorm coverage.

4           (7) Actions that the Federal Emergency Man-  
5           agement Agency could take to better educate policy-  
6           holders of flood insurance of their choices and rights  
7           available in the private market.

8           (8) To what extent, if any, gaps in coverage  
9           would still exist, between coverages included under  
10          most homeowners policies, and those provided by the  
11          national flood insurance program.

12          (b) REPORT.—Not later than the expiration of the  
13          6-month period beginning on the date of the enactment  
14          of this Act, the Comptroller General shall submit to the  
15          Congress a report setting forth the results and conclusions  
16          of the study conducted pursuant to subsection (a).

17          (c) SENSE OF CONGRESS.—It is the sense of the Con-  
18          gress that, upon completion of the study conducted pursu-  
19          ant to this section, the Congress should consider the rec-  
20          ommendations made by the study.